



DDC History & Issues

Take a Close Look



The Preserve

“ Statistics

- . 30,580 acres, 47.8 Square Miles, 26% of the total city.
- . About 182 miles of trails & 11 trail heads.
- . 660,000 visitors/year and growing.
- . Cost about \$1 Billion, including bond debt
- . All paid for by special sales tax income AND State matching funds.

“ Formed by citizens, paid for by citizens & tourists

- . Formed to prevent development on preserved lands.

“ A huge draw for both tourists and residents, without the DDC.

- . Increases our quality of life which keeps Scottsdale desirable, demand high, and property values high.
 - “ People move here specifically to be able to hike or bike the Preserve.
- . Tourism sustains the city financially.
 - “ Provides positive income to offset loss from development.
- . Buys down development saving the city & taxpayers money

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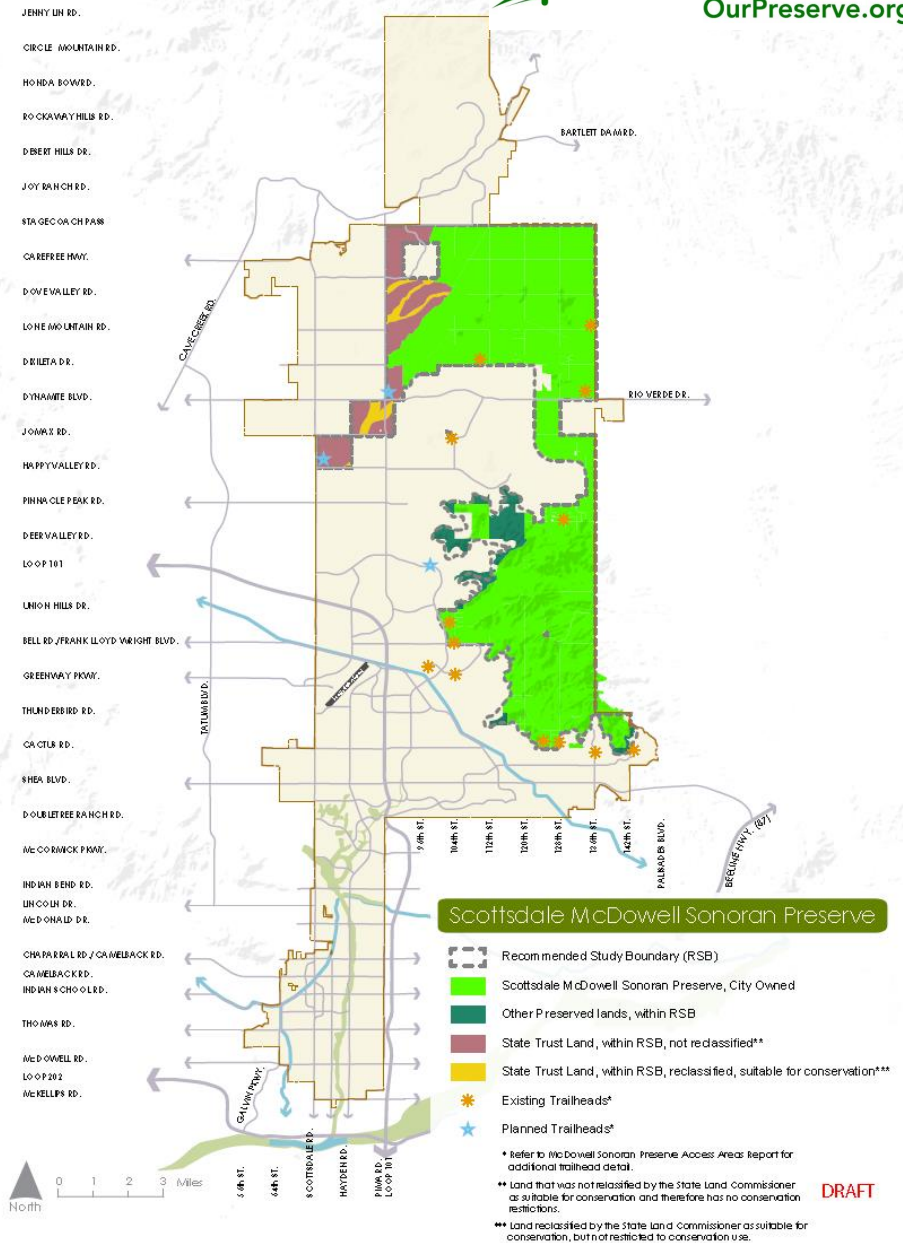
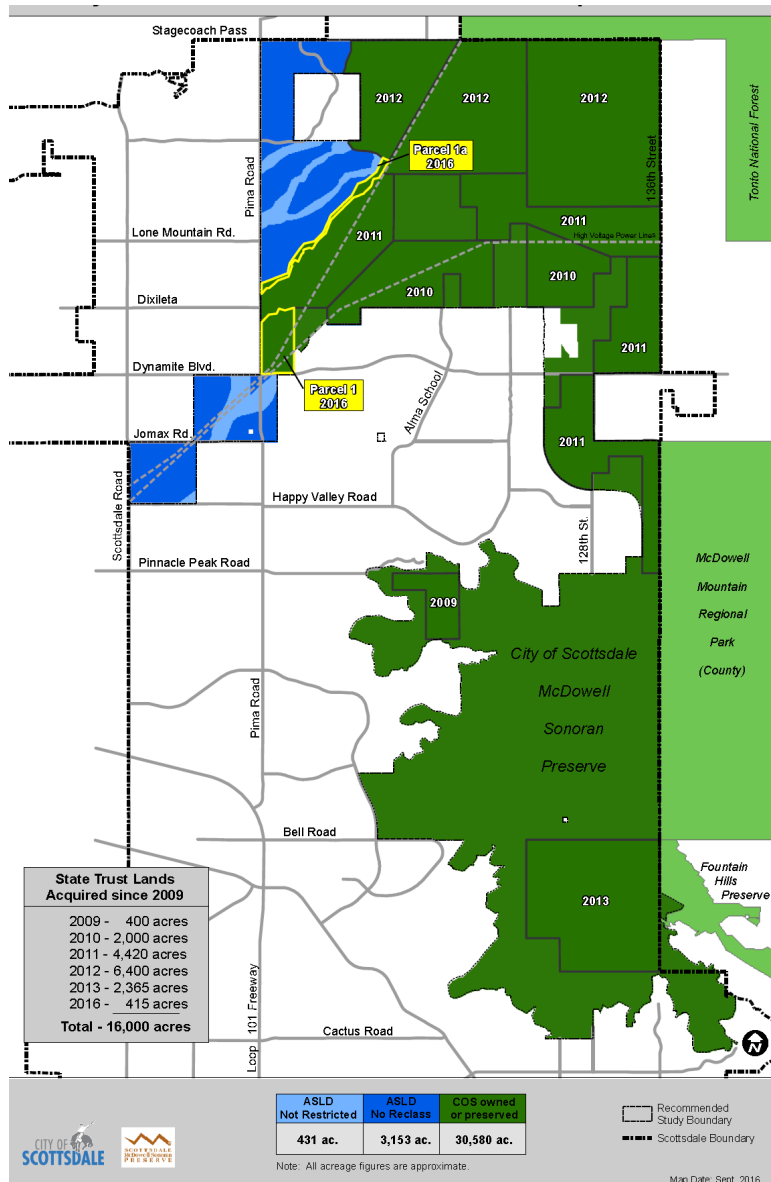
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- Improves quality of life which keeps Scottsdale desirable, demand high, and property values high.

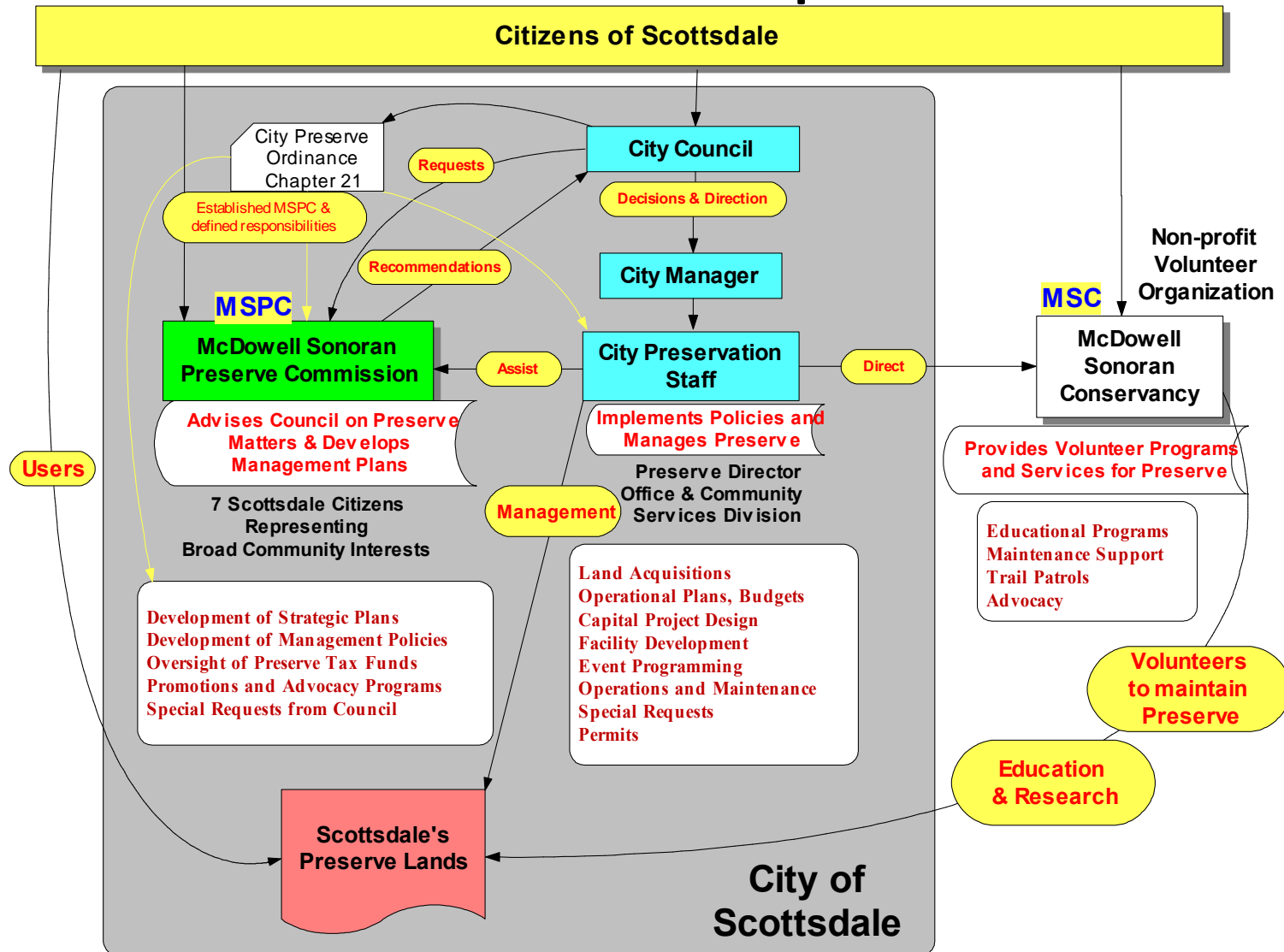
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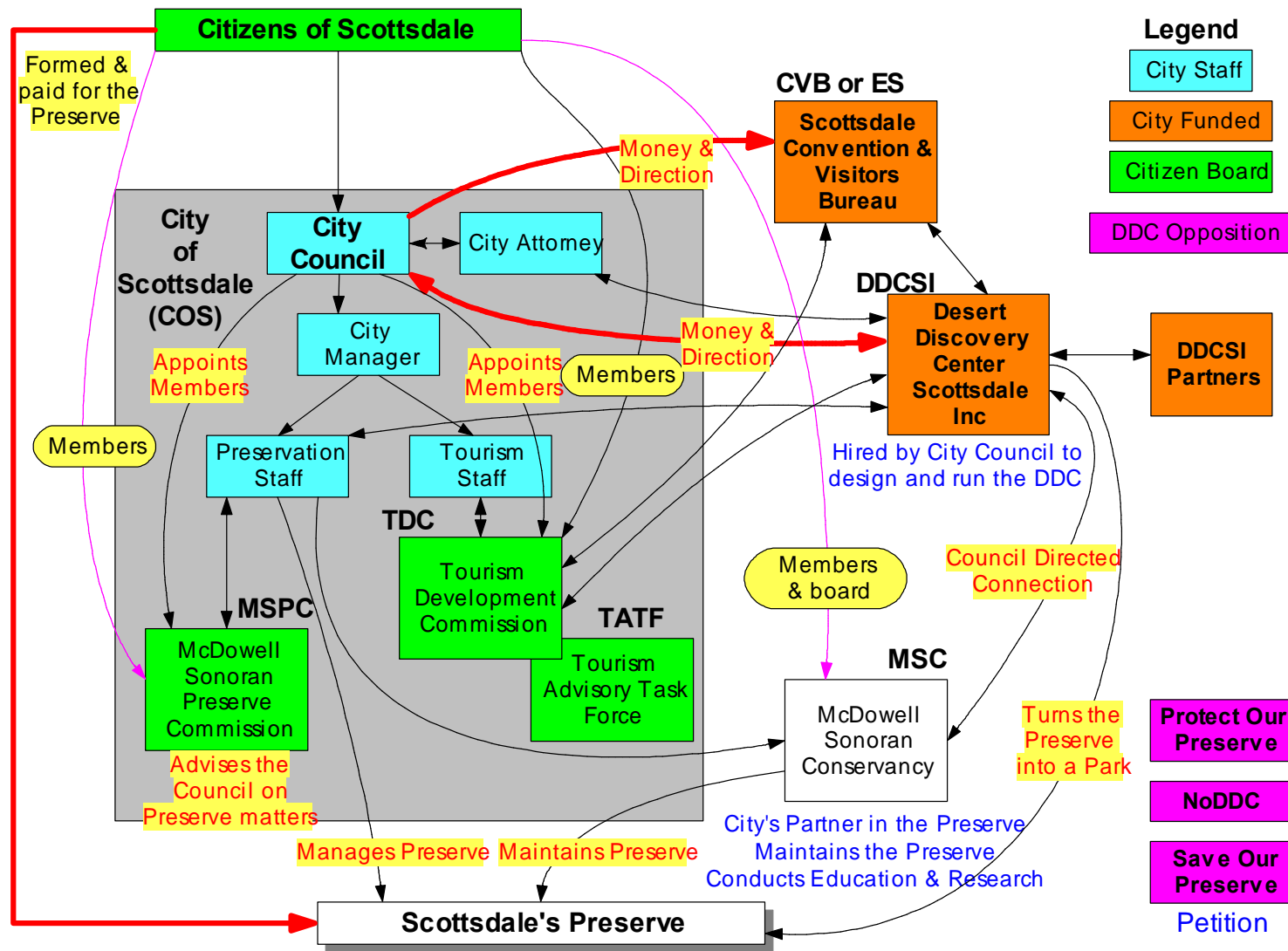
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It is a Preserve NOT a Park



Preserve Roles & Responsibilities





Early Preserve/DDC History

	Year	Event	DDC Location	WOW Factor
	1986	Rhodes/Dahl Study 23 acres, cost not known	Pinnacle Peak Park	Desert provided THE experience, The Education, The "wow" factor
	1988	ERA & Associates Destination Attraction Study		
Citizen Driven	1990	Preserve movement starts		
	1993	Desert Task Force Study	Preserve (Gateway)	
	1994	Preserve & MSPC created		
Public Vote	1995	Voters approve funding (Land Acq ONLY)		
	1997	Tourism staff moves DDC to Preserve. Approved by council on consent agenda. Langdon Wilson hired for study	Preserve (Gateway)	
Public Vote	1998	Charter amendment & expanded RSB approved by voters DDC advisory committee established		
	1999	Langdon Wilson Report 15,800 sq ft, \$4.3M		
Citizen Driven	2000	Preserve Ordinance drafted and approved. No exceptions to rules for the DDC		

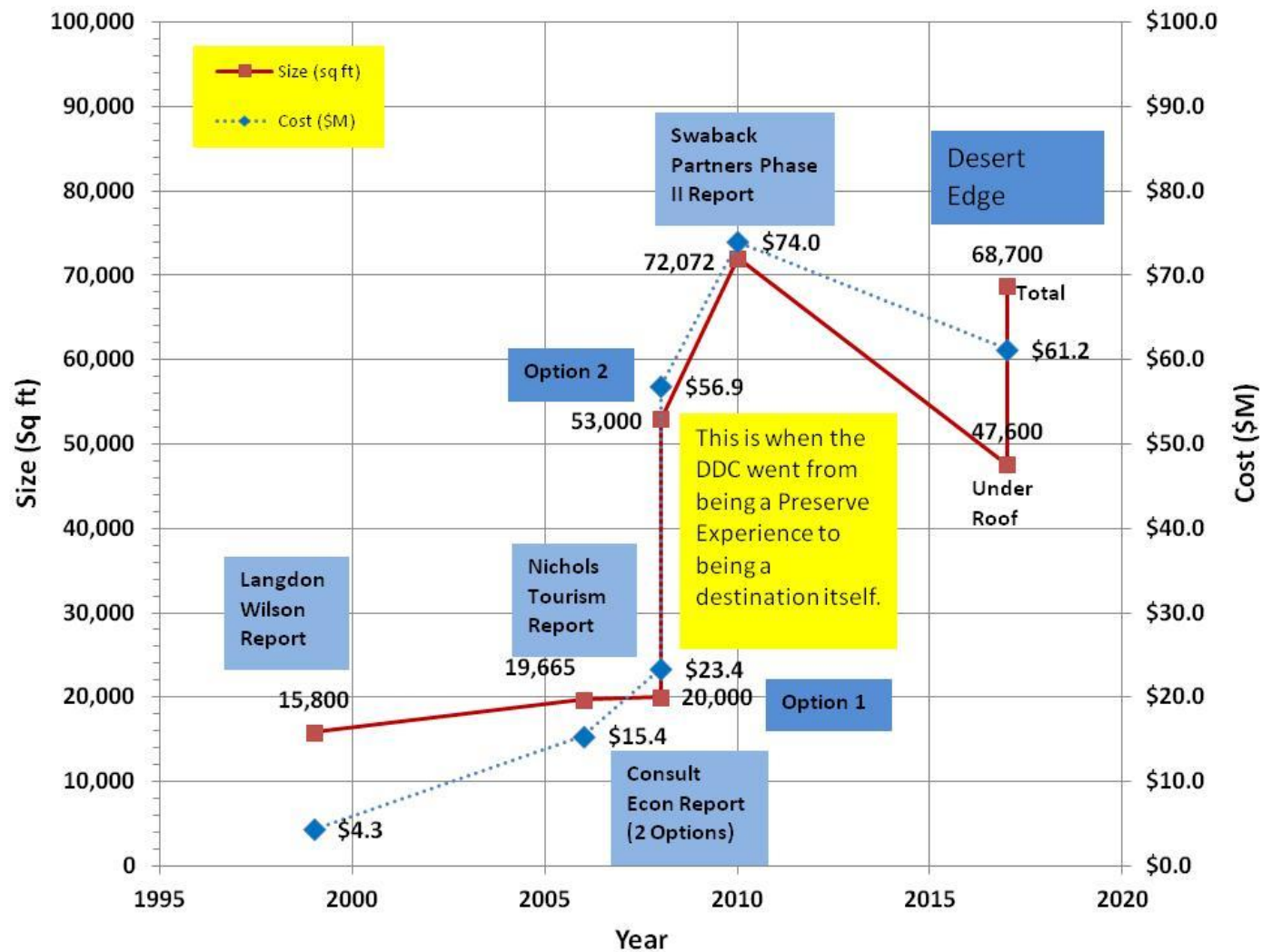
Study #1

Study #2

Current Preserve/DDC History

			DDC Location	WOW Factor
Public Vote	2004	Not much went on 2000-2004 Voters approve additional sales tax for land acquisitions AND "improvements thereto"		Desert provided THE experience, The Education, The "wow" factor
	2006	Nichols Tourism Group & Weddle Gilmore study 19,665 sq ft, \$15.4M COS staff business plan Study #3		
	2007	MUMSP for Gateway approved (consent agenda) 22,000 sq ft buildings, 524 parking spaces		
	2008	City buys Gateway land from Toll at \$81.9M ConsultEcon Report Alt 1 - 20,000 sq ft, \$23.4M Study #4 Alt 2 - 53,000 Sq Ft, \$56.9M		
Public Involvement	2010	City hires Swaback Partners for study (\$500,000 from Preserve Funds) 72,072 sq ft, \$74M Study #5	Preserve (Gateway)	DDC provided THE experience, The Education, The "wow" factor
	2012	RFP Issued for operators NO respondents		
	2013	Swaback Partners report on alternate sites.		
	2015	City Issues another RFP DDCS Formed and incorporated. ONLY respondent to the RFP		
	2016	City gives DDCS \$1.7M for new study 2 Public Meetngs Held, Public Expresses concerns about locating it in the Preserve		
	2017	Desert Edge Proposal Study #6		

DDC Size and Cost Growth



History Landmarks

- “ Desert Task Force report – 1993
 - . Mentions there MAY be an educational center, ramadas, picnic tables, etc. {park type amenities}
- “ DDC moved to Preserve - 1997
- “ Access Area Report – 1999
 - . Mentions there MAY be an educational center, ramadas, picnic tables , etc. {park type amenities}
- “ Preserve Ordinance – 2000
 - . Prohibits concessions, food, nighttime operations, liquor, sound amplification, etc.
 - . Trumps earlier studies, NO exclusions for a DDC
 - . Prevents Preserve from being morphed into a park

What Is the DDC?

” Conceptually

1. A center to educate residents and tourists about the desert.
2. A Center for research about the desert.
3. A tourist DESTINATION

” Note: *The McDowell Sonoran Conservancy (MSC) already does both 1 & 2 at NO cost to the city AND in full compliance with the Preserve Ordinance.*

” *The Preserve IS a tourist Destination by itself*

Public Involvement

- ” The public has been kept in the dark ever since the DDC was moved into the Preserve in 1997.
 - . Most people don’t know this is even being planned.
 - . At the 2 open houses held this spring, and 3 surveys the city ran, residents were clearly against putting the DDC in their Preserve.
 - ” First real resident input.
 - ” DDCSI would not listen to ANY comments on location.

Survey Results



Position	Community Meetings	April 20th Meeting	April 21st Meeting	On Line Survey	On Line All
	Counts				
For	13	5	6	85	85
Against	17	21	64	583	1408
Neutral	5	2	3	0	0
Total Used	35	28	73	668	1493
Position	Precent				
For	37.1%	17.9%	8.2%	12.7%	5.7%
Against	48.6%	75.0%	87.7%	87.3%	94.3%
Neutral	14.3%	7.1%	4.1%	0.0%	0.0%
Notes	3			1	2
1	Note this total was adjusted as a result suspected invalid				
2	Full survey numbers				
3	Not a true public meetings				

Citizens' Preserve

- ” The Preserve was formed specifically to prevent development on preserved lands.
- ” The Preserve was bought by the public.
- ” The Preserve belongs to the citizens of Scottsdale, they should have a big say in what is done with it and in it.
 - . Give them the vote, that is the way to settle the question of who is in the minority vs. the majority.
 - . Should also have a vote on the use of Preserve funds for it.

Main Issue

- “ The prime issue is the proposed location, at the Gateway trail head IN THE PRESERVE.
 - . The Gateway is the most heavily used trail head in the Preserve.
 - “ Will conflict with existing users of the Preserve.
 - “ Will degrade the Preserve experience at our most popular trail head.
 - . The DDC will violate many Rules in the Preserve Ordinance.
 - . The DDC will set a major precedent.

Major Precedent

- “ Once the DDC is allowed in the Preserve, it sets a precedent and opens up the Preserve up to more development.
 - . Already there is talk of more “active” labs for ASU in the Preserve.
 - . No matter what the initial size of it is, it will just be the start of more development in the Preserve.
- “ There are viable and even better sites outside the Preserve, some city owned.

IF In the Preserve

- ” The DDC must be owned and run by the city.
 - . City must pay for design and construction.
 - ” Plan is to steal Preserve funds for this.
 - . City must absorb all cost overruns and yearly operating overruns.
 - ” Preserve funds CAN NOT be used for operational costs or overruns.

Problems with the DDC in the Preserve

- ” The DDC will violate a number of the Preserve rules, that were established to protect the Preserve and keep it a Preserve not a park, the citizens voted for a Preserve not a Park.
- . There are No exceptions or exclusions in the Ordinance to accommodate a DDC.
 - . The Preserve Ordinance was written and approved after the DDC was moved to the Preserve.

Problems with the DDC in the Preserve

- ” The Preserve Ordinance and city charter will limit what the DDC can be and can become making it less likely to succeed.
- . City must own it and must operate it, can't rent or lease it to another operator. Could NOT find an operator for the previous plan.
 - . Structures will need to be smaller and shorter to appear to be compatible with the Preserve.
 - . Have to physically separate paying public for the DDC and normal users.

Benefits Outside the Preserve

- “ Public opposition virtually disappears.
- “ The city doesn’t have to take on all the financial responsibility.
 - . The DDC can be owned by anyone and operated by anyone.
- “ DDC can become whatever it needs to be, and managed anyway it needs to be, to be successful and sustainable.
 - . Can be as big and impressive as it needs to be
 - . Night time operations
 - . Events
 - . Full scale restaurant
 - . Other venues
- “ The DDC would complement MSC’s operations, not compete with them.

Benefits Outside the Preserve

- “ DDC can be located near West World where it will get more exposure to tourists.
 - . Over 1 million people go through West World now, and that number is going up.
 - . Would increase attendance.
 - . Makes concessions more viable.
- “ The downside? They can't use Preserve funds to pay for it.

DDC Fiscal Issues



- “ Was redesigned, now called the Desert Edge but still has the following issues:
 - . Cost Estimate \$62 Million.
 - . Size 47,600 sq ft Air Conditioned.
 - . Size 68,700 Sq ft total under roof.
 - . Yearly overrun estimated at \$1.7 Million.
- “ Places Consulting Report of 2013.
 - . DDC would NOT attract additional tourists
 - . DDC would be a huge financial burden on the city.
 - . Recommended NOT building it.

Remaining Funds



<u>Detail of Preserve Tax Funding and Endowment Concept Costs</u>	<u>Current Projections</u>	<u>Early Bond Payoff</u>	<u>Early Bond Payoff & NO Tax on Food</u>
Current projected uncommitted cash from Preserve Taxes thru 2034	\$178M*	\$185M*	\$142M*
Current projections for planned land acquisitions and improvements <ul style="list-style-type: none"> 1. Planned Land Acquisitions - \$48M* projected 2. Planned Preserve Improvements - \$17M* projected 	- \$65M*	- \$65M*	- \$65M*
Projected uncommitted cash after planned land acquisitions and improvements	\$113M*	\$120M*	\$77M*
Projected Use of Remaining Uncommitted Cash from Preserve Taxes	\$113M*	\$120M*	\$77M*
1. Preserve operations & maintenance annual annuity (or similar) Estimated @ 3% = \$1M*/yr in perpetuity <i>If approved, concept anticipates fund expenditures to be reviewed through the yearly City budget process</i>	- \$34M*	- \$34M*	- \$34M*
2. Research & education annual annuity (or similar) Estimated @ 3% = \$120K*/yr in perpetuity <i>If approved, concept anticipates a process for yearly award of funds to include:</i> <ul style="list-style-type: none"> a. Projects to be based on Ecological Resource Management Plan b. Grant funding thru the yearly City budget process: <ul style="list-style-type: none"> ✓ Requires support from the Conservancy Field Institute ✓ Requires recommendation from: MSPC, Preserve Director, City Manager and City Treasurer ✓ Requires approval by City Council 	- \$4M*	- \$4M*	- \$4M*
Remaining Uncommitted Cash Preserve Land and Improvement Uses	\$75M*	\$82M*	\$39 M*

*Dollar figures will vary based upon sales tax collections, bond interest rates and rates of returns and final costs of land acquisitions and improvements.

DDC/DE Possible Sites



Current Visitor View Protect OurPreserve.org



What Are We Doing



- “ Inform the public – make them aware.
 - . Most people don’t know this is happening.
 - . Most people are opposed when they learn about it.
- “ Try to change the location
 - . Talk to DDC supporters, DDCSI officials, City Council
- “ Get a public vote required.
 - . Tried a petition to the council – eventually failed
 - . Mark Stuart’s ballot initiative (2018 ballot). **POP to take over.**
- “ Legally challenge the city.
 - . Legal effort underway, to challenge the council’s authority to allow building in the Preserve.
 - “ Getting donations to the legal fund.
 - . Initial requests for preliminary injunction filed. Initial hearing date set for October 31st.



Questions?

Learn More at:

ProtectOurPreserve.org

Sign up for updates

Contribute to Legal Fund

Sign Petition